

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
FOREST VIEW ACRES WATER DISTRICT
AND THE BOARD OF DIRECTORS OF THE
WATER ACTIVITY ENTERPRISE
HELD
OCTOBER 5, 2005

A regular meeting of the Board of Directors of the Forest View Acres Water District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as "Board") was held on Wednesday, the 5th day of October, 2005, at 5:30 P.M., at Grace Best Elementary School, 66 Jefferson Street, Monument, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Barbara Reed-Polatty, President
Brian Cross
John Anderson

Upon motion duly made by Director Anderson, seconded by Director Reed-Polatty and, upon vote, unanimously carried, the absence of Eckehart Zimmermann was excused.

Also In Attendance Were:

Kammy K. Tinney, Deborah D. McCoy and Susan Clyne;
Special District Management Services, Inc.

Dan LaFontaine; Operations Manager

Paul C. Rufien, Esq.; Paul C. Rufien, P.C.

See attached list for others in attendance

ADMINISTRATIVE MATTERS

Agenda: Ms. McCoy reviewed the proposed agenda for the District's Regular Board Meeting. Following discussion, upon motion duly made by Director Anderson, seconded by Director Reed-Polatty, and upon vote, unanimously carried, the agenda was approved, as amended.

Minutes: The Board considered the Minutes of the September 14, 2005 special meeting. Following discussion, upon motion duly made by Director Anderson,

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seconded by Director Cross and, upon vote, unanimously carried, the Minutes of the September 14, 2005 meeting were approved.

Appointment of Director to Fill Vacancy: The Board reviewed letters of interest submitted by Kajetan "Ketch" Nowacki and Richard T. Crocker. Director Cross reviewed the letter from Mr. Crocker with the public present. Mr. Nowacki was in attendance.

The Board discussed each candidate. Mr. Nowacki has a financial background and Mr. Crocker has a technical background. Mr. LaFontaine noted that he has worked with Mr. Crocker in the past. Mr. Crocker served on the Board previously and was a member of the technical committee.

Following discussion, upon motion duly made by Director Reed-Polatty, seconded by Director Cross and, upon vote, unanimously carried, the Board appointed Kajetan "Ketch" Nowacki to fill the vacancy created by the resignation of Kevin Lonergan.

FINANCIAL MATTERS

Claims: The claims list for the period ending October 5, 2005 was distributed. The Board considered approval of payment of claims through the period ending October 5, 2005, totaling \$16,786.71.

The Board directed that check #1207, in the amount of \$6,741.99, payable to Special District Management Services, Inc. be voided and that the following payments be added:

Henkle Drilling	\$2,500.00
Betzer, Critchfield & Co LLC	\$1,000.00

Following discussion, upon motion duly made by Director Cross, seconded by Director Reed-Polatty and, upon vote, unanimously carried, the claims through the period ending October 5, 2005 were approved, as amended.

Financial Report: Preliminary drafts of the unaudited financial statements for the period ending September 30, 2005 were distributed and reviewed. No action was taken.

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Billing Report for August 2005 water usage: The Board reviewed the report. It was noted that the account for service to 4315 Sandstone Drive remains delinquent and is to be provided with a 10 day shut-off notice, effective October 17, 2005. Staff was directed to provide notice both to the occupant and owner of the property.

2006 Budget: Ms. McCoy reviewed with the Board the format to be used and the statutory requirements for the 2006 budget. The Board determined to hold the public hearing to adopt the 2006 budget at the December 7, 2005 regular meeting.

2002, 2003 and 2004 Applications for Exemption from Audit: Ms. McCoy reported that completion of the applications is in process.

LEGAL MATTERS

Inclusion of property owned by Leroy Schmidt: Mr. Schmidt was in attendance. Mr. Schmidt brought a signed Agreement for Inclusion of Property and the required fees for processing of the inclusion. Attorney Rufien was asked to review the agreement and provide comments.

It was noted that an easement agreement for access to the water source will need to be completed.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Cross and, upon vote, unanimously carried, the Board accepted the Petition for Inclusion and directed staff to publish for the inclusion hearing to be held at the November regular meeting.

Engagement of District counsel: Attorney Rufien reviewed his experience and credentials. Attorney Rufien has experience serving as both general and litigation counsel to special districts.

The Board asked questions of Attorney Rufien and Ms. McCoy regarding the recommendation to engage Attorney Rufien and the proposed replacement of Petrock & Fendel.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Reed-Polatty and, upon vote, unanimously carried, the Board approved the

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engagement of Paul C. Rufien, P.C. as counsel for the District and litigation counsel and authorized the President to send a termination letter to Petrock & Fendel, P.C., subject to receipt of an engagement letter and reference checks.

WATER OPERATOR'S REPORT

Mr. LaFontaine reviewed the Operational Report and Production Report for September 2005.

Variable Frequency Drive. Mr. LaFontaine reported that he has had a problem with the bids for the project. He will have them for the Board to review at the next meeting.

Preemptive tap replacement program for Sundance Estates homeowners and the Spiegelberg counter offer: Mr. LaFontaine distributed a report on the residents that have signed up for the saddle tap replacement program, the current total is 17 residents. The Spiegelberg's are requesting a six month extension of time to complete the terms of the counter offer.

Following discussion, upon motion duly made by Director Reed-Polatty, seconded by Director Cross and, upon vote, unanimously carried, the Board approved the request for an extension of time to complete the counter offer terms until May 14, 2006.

COMMUNITY BUSINESS

Community comments: Members of the community addressed the Board and indicated interest in the Red Rocks Ranch development and agreements between the District and the developer for service to the property, status of the financial position of the District, the civil case against Patti Unger and the determination of whether or not the District's intake location is located on public lands or District property.

Ms. McCoy reported that management is meeting with a financial advisor next week to discuss options available to the District. Director Reed-Polatty provided an update regarding the status of the Red Rocks Ranch development. Ms. McCoy requested that additional questions/concerns be addressed to the Board in writing in order to facilitate communication and timely response.

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ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Reed-Polatty, seconded by Director Anderson and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By Deborah A. McGee
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL OCTOBER 5, 2005 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

John Anderson
Brian Cross

Barbara Reed-Polatty 11-02-05
Barbara Reed-Polatty

Eckehart Zimmermann

Kajetan Nowacki

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE	ISSUE(S) TO BE ADDRESSED
Jeff Walker	4835 Abe Ln	481-7148	
Michelle Duncan	3680 El Rancho Way Our Community News of P.O. Box 1742 Mammoth	488-4303	
John Heiser	3745 El Rancho Way	488-3435	
Heather Leavens	3745 El Rancho Way	481-9467	
Ketch Mowack	3615 El Rancho Way	481-1808	Bylaws re who should be Secretary
Kathleen Foley	3615 El Rancho Way	481-1808	
Bob Boston	18435 Sandhurst Dr	481-2542	
Michael Osborn			Tribune
Henry Flewitt		449-9540	
Beverly Zimmerman	18005 Forest Hill Rd.	481-0521	
Jim J. Mowack	4735 Reno Forest Rd	481-3364	

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE	ISSUE(S) TO BE ADDRESSED
Valerie Huntley	4735 Fox Forest	481-3364	
Eddie Taylor	3745 Kingsley Dr	488-8672	
Fredrick Malmstrom	18255 Sunburst Drive	487-1686	
DAN SPIGARBURG			
LeRoy Schmitt			